

Indiana Department of Natural Resources
Indiana State Parks and Reservoirs

Prospectus

A Business Opportunity

For the Development and Operation for the

**Adaptive Reuse Project for the
Indiana Dunes Pavilion
Chesterton, IN
Porter County**



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Statement of Purpose

The information contained in the Prospectus is published as an aid to those who have an interest in entering into an agreement with the Department of Natural Resources, of the State of Indiana (**IDNR**), for the redevelopment and adaptive reuse of the Indiana Dunes Pavilion at the Indiana Dunes State Park, which is a significant and important historic structure at the park. Great consideration of the proposed final development shall be of paramount importance to this project. The final project shall be sympathetic to the history of the building, the park, and the IDNR. The Proposer shall be responsive to the requirements put forth in this document and will be allowed the opportunity to propose limited additional developments and services. The IDNR is open to other possibilities proposed by the operator; however additional items in proposals submitted may or may not be considered in the lease negotiations.

Statement of Responsibility

The IDNR accepts no responsibility for the accuracy of the statistical information provided herein. The provisions of any agreement pertaining to those lands must be in accord with the provisions of IC 14-18-2.

Independent Assessment

Operators are responsible for undertaking appropriate due diligence with respect to this business opportunity. The operator is also responsible for any costs incurred in the research and development of the proposal.

The Mission of Indiana State Parks and Reservoirs is:

To manage and interpret our properties' unique natural, wildlife and cultural resources using the principles of multiple use and preservation, while sustaining the integrity of those resources for current and future generations.

The Vision of the Division is:

Excellence in stewardship, recreational diversity, interpretation, service and growth resulting in unique places that people respectfully use, enjoy and cherish.

Authorization

The IDNR proposes to enter into a contract described herein under the provisions of IC 14-18-2.

Statement of Intent

The IDNR will accept proposals for the adaptive reuse, operation, and maintenance of the Indiana Dunes Pavilion, Indiana Dunes State Park, Chesterton, IN. A detailed prospectus is available from the Department of Natural Resources, 402 W. Washington Street, Room W298, Indianapolis, IN 46204, (317) 232-4140. All proposals and other information as required by the prospectus shall be placed in a sealed envelope or package clearly marked as follows:

Proposal for:

Adaptive Reuse Project for the Indiana Dunes Pavilion
Indiana Dunes State Park, Porter County

DO NOT OPEN UNTIL 1:00 P.M. E.D.T March 1, 2012

Each envelope shall be marked with the name, address, and telephone number of the developer/operator.

All proposals must be delivered to Director, Indiana State Parks and Reservoirs, 402 W. Washington Street, Room W298, Indianapolis, IN 46204, no later than 1:00 P.M. E.D.T. March 1, 2012

Project Calendar

November 18, 2011	First Publication of Statement of Intent
November 30, 2011	Second Publication of Statement of Intent
December 16, 2011	Third Publication of Statement of Intent
March 1, 2012	Proposals Due

The Setting

Indiana Dunes State Park consists of 2,182 acres of primitive, beautiful, historic, and amazingly unique Hoosier landscape. It lies at the north end of State Road 49 in Porter County and includes more than three miles of beautiful beach along Lake Michigan's southern shore. In the early 1900's scientists, recreationists, and nature enthusiasts, recognizing the value and potential of the Indiana dunes area, fought to have the region preserved. As a result, in 1925, the State Park was established.

Visitors today can enjoy Indiana Dunes State Park in a wide variety of ways. A campground, many picnic shelters and picnic areas, more than 16 miles of hiking trails, a swimming beach, and the Nature Center are available for visitors' use and are operated with visitor safety in mind.

During the summer season, a beach pavilion provides shelter, restrooms with outside showers only, a snack bar, and gift shop. Dunes Nature Preserve, encompassing 1,530 acres and located within the boundaries of the state park, provides visitors with an opportunity to explore pristine and unique landscapes.



Indiana Dunes State Park features a wide variety of habitats, including beach, sand dunes, black oak forest, wooded wetlands, and a button-bush marsh. Together, these areas contain some of the most diverse flora and fauna in the Midwest. Botanists from across the country enjoy studying the unusual collection of plant life. In fact, it was here, that Henry Cowles, known to

many as the "father of ecology" did his landmark studies of succession in the early 1900s. As a result of his work, Indiana Dunes became known as "the birthplace of ecology." The dunes provide an opportunity to explore an exciting and ever-changing landscape. In several areas, huge "living" or "moving" dunes are slowly being blown inland, burying forests as they go. A prime example can be seen from Trail 9. Other interesting features include "tree graveyards" (places where forests have been buried by sand and then, more recently, re-exposed by wind erosion). "Tree graveyards" can be seen in Big Blowout, near Trail 10. The Indiana Dunes area also is renowned throughout the Midwest for its birding. Indiana Dunes National Lakeshore, a federally administered park comprising approximately 15,000 acres, surrounds Indiana Dunes State Park.

CALUMET TRAIL

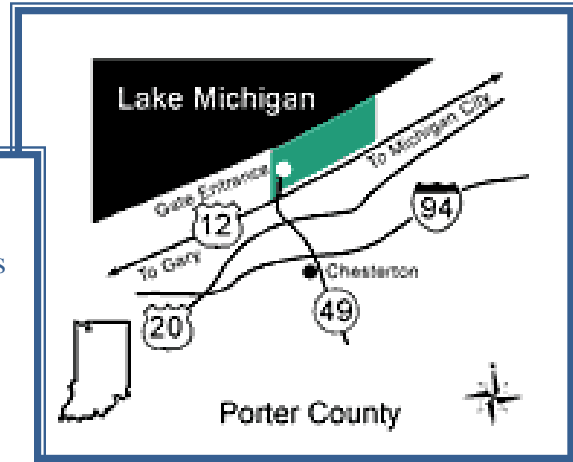
The Calumet Trail is a 9.2-mile trail designed for bicycling, jogging, hiking, and cross-country skiing. It lies adjacent to Indiana Dunes State Park and passes through Indiana Dunes National Lakeshore, providing a link to several points of interest. The Calumet Trail was developed on land leased from the Northern Indiana Public Service Company. It lies within the company's utility corridor, and was developed with the assistance of the Northern Indiana Public Service Company and the National Park Service.

Activities and Facilities

- Nature Center/Interpretive Naturalist Services
- Picnicking/Shelters (Shelter Reservations)
- Access to Calumet Trail (9 miles of hiking)
- Cross-country Skiing (trails available, no ski rental)
- Fishing
- Hiking Trails
- Swimming / Beach

Camping

- Electric - 140 (all 50 amp service)
- Youth Tent Area



Area Attractions

Crown Point Courthouse
 Door Prairie Auto Museum
 John Dillinger Museum
 Memorial Opera House
 Old Jail Museum
 Old Lighthouse Museum
 Star Plaza Theatre
 Back Road Brewery
 Dune Ridge Winery
 4 local Casinos

The Offering

The Adaptive Reuse of the Indiana Dunes Pavilion is offered to prospective operators to re-develop, operate, and maintain the Indiana Dunes Pavilion and other appropriate facilities that would be compatible and enhance the operation.

The Pavilion is an integral part of the Indiana Dunes State Park, and is in need of rehab and repair. Since the IDNR does not have the funding to undertake this type of project, the IDNR is seeking a Public/Private partnership to accomplish this goal. This building has been remodeled over time, and the IDNR is interested in offering the re-development of this structure within the scope of this offering.



Currently, the restroom and shower facilities are located on the lower level; with a fast food snack operation and gift shop are on the second level. When originally developed, the first floor was a fine dining establishment, and the shower rooms were on the second level. Guests also had access to the roof as a type of patio and viewing area.

Many of the original architectural features are still present on the lower level, but false ceilings and other obstructions have covered these up.

A long-term lease will provide use of the land. In keeping with Indiana law (IC 14-18-2), the offering will be competitive and will be designed to select a proposal which appropriately fulfills the IDNR's objectives for the project and which displays the ability of the operator to carry it out. The Natural Resources Commission will make the final selection, and a lease will then be negotiated. The competition is designed to permit interested operators to participate without being required to spend a significant sum of money for preparation of their proposals.

The Indiana Dunes Pavilion snack bar and merchandise concession is currently operated by a concessionaire provided through an interagency MOU with the FSSA's division of Blind and Visually Impaired. Developers interested in submitting a proposal under this offering should contact FSSA to possibly develop a partnership with this program.

The estimated visitation history for Indiana Dunes State Park is as follows:

Based on Fiscal years-July 1 through June 30

2011	1,108,571
2010	1,124,457
2009	1,181,363
2008	726,013
2007	904,035
2006	612,922

Generally, for a development of this nature, the IDNR would enter into a ground lease and the term of the lease would be 30years, with two 10-year options to renew. Ultimately, the IDNR will write a lease, which will:

1. Prescribe the manner and amount of payment of rent.
2. Will provide standards of performance.
3. Have a non-discrimination provision.
4. Provide that the rates and fees charged for goods and services will be in accord with those charged at similar private developments in the area.
5. Provide for the disposition of the leasehold and improvements at the termination of the lease.
6. Include adequate security to assure construction and operation of the facilities.
7. Require that plans and specifications for all structures, improvements and activities proposed be reviewed and approved by the IDNR.
8. If appropriate, allow the submission of the lease to the lien of any bank or similar lending institution for the improvements placed upon the IDNR's interest in the leased premises.
9. Require that the operator be responsible for all taxes, including property taxes on the improvements, unless the authority, which imposes such tax, abates any such taxes.
10. Require that the operator place a sign within the facility, and provide verbiage in all brochures, forms, and any other printed or electronic materials related to the operation, containing a statement that this facility is privately operated under a lease with the IDNR.
11. Require that the operator take part in ethics training provided by the Indiana Ethics Commission.
12. Contain a non-collusion affidavit.
13. Provide that the laws of the State of Indiana cover the lease.
14. Contain other clauses as determined as in the best interest of the State of Indiana.

Minimum Expected Services

The operator shall design, develop, build, manage and maintain the facilities accommodating all activities that are customary and usual to such operations within a state park property. The operator shall have the exclusive right to manage and maintain all of the facilities under the terms of the lease.

Full Service Restaurant and Banquet Service

The operator may provide high quality full service restaurant and banquet service, which in the reasonable opinion of the IDNR will best meet the needs of the public. Full service restaurant and banquet service must at all times be sufficient to meet the reasonable demands of the public. It is intended that the food be not only adequate, but be wholesome, attractively served, and is of a style that appropriately reflects the market. It is imperative that the guest's, including local patrons, expectations are met, and that they will want to return. Full service restaurant and banquet service operations shall be in operation year round. The operator shall follow all Indiana State Board of Health requirements and regulations as well as any other rules, regulations or laws imposed by any governing power.

Meeting Facilities

The operator may offer meeting facilities as part of this offer. Customers shall be given written contracts indicating what services the operator will provide for each individual meeting, reception, party, and at what costs these services will be provided.

Merchandise

The operator may offer merchandise for sale that is appropriate to the park and facility. The merchandise should be nature oriented, educational, and efforts should be made to provide Indiana products.

Snack Bar

The operator may offer a snack bar concession as part of this offer.

Other services

The operator may offer other services within the proposal. These items may or may not be included in the negotiations for a lease with the Department.

Restroom and shower facilities

The operator shall offer public restrooms and showers for the patrons of the beach. If these services are not offered within the structure, the operator shall indicate how and where these services will be offered.

Design and Development Guidelines

This section is designed to inform the operator of the minimum number of facilities and minimum requirements of design and construction. All proposals will be evaluated upon these guidelines.

Minimum Design and Development Criteria

- All designs shall conform to the requirements of the Americans with Disabilities Act.
- All Federal, State, and Local building codes shall be observed.
- Designs shall be sympathetic to the character of the Park or Reservoir property and other buildings located on the property.

The operator will incorporate barrier-free design into all facilities and ensure continuity between outdoor and indoor facilities with respect to accessibility for disabled users. Minimum guidelines for accessible design can be obtained from the United States Architectural and Transportation Barriers Compliance Board, 330 C Street, S.W., Room 1010, Washington D.C. 20202. In addition, IDNR has a publication entitled "Access to Recreation, Design Criteria for Eliminating Architectural Barriers", which should be consulted during the design process.

The operator shall comply and bear any costs associated with all requirements as set forth by the Division of Historic Preservation and Archeology in regard to investigation of sensitive sites.

General Development Guidelines

Utilities

The operator will be responsible for road development from the main park road, as well as any required improvements to the main park road as needed for this offer. The operator will also be responsible for bringing utility service to the site. In general, IDNR will require all utilities to be placed underground, including telephone and electric service. Installation of utilities must be done in accordance with all State, Federal, and local codes.

Electrical, Fire, and Building Codes

State electrical, fire, and building codes are required to be met in order to ensure high quality construction, safe habitation, and pleasing aesthetics for the site visitors and workers.

Solid Waste

Refuse generated by the development must be disposed of in a state-approved sanitary landfill located off site. Furthermore, all collection, transportation, and

disposal of solid waste must be in conformity with county and state public health regulations. It must be removed regularly to ensure there will be no odor, health or aesthetic problems.

Alcohol

Current state statute does not allow for the sale or display of alcohol by the Licensee. Current DNR regulations also prohibit alcohol within Indiana Dunes State Park.

Snow removal

The IDNR will provide snow removal services on the main park roads and the roads leading to facility; however the operator is responsible for snow removal of the intermediate roads, parking lots and areas, entries and sidewalks within the leased area.

Grounds maintenance

The operator will be responsible for all ground maintenance within the facility area. This includes, but is not limited to, mowing, watering, fertilization, pest control, pruning, trimming, flowerbed maintenance, weeding and eradication of invasive species.

Building and infrastructure maintenance

The operator is responsible for all maintenance of the facility. The operator is also responsible for maintaining all parking lots, underground utilities, buildings and any other structures in the leased area.

Special Consideration to Historic Structures

Some of the facilities in the offer are listed on the National Register of Historic Places, and as such historic preservation laws, standards and guidelines shall be followed by the operator. Other locations not listed on the register may still fall under the regulation of the State Historic Preservation Office, due to their age and historic significance and the federal guidelines are also followed for these properties.

Federal Historic Preservation Laws

These laws lay the foundation for the National Park Service as the lead Federal preservation agency and for the national historic preservation partnership that includes NPS, other Federal agencies, Tribal Preservation Offices, State Historic Preservation Offices, Certified Local Governments, and private organizations. **For a free copy, send an e-mail to nps_hps-info@nps.gov with your mailing address.**

Standards and Guidelines

Since their publication in 1976, the Secretary's Standards developed by the National Park Service have been used by State Historic Preservation Officers and the National Park Service to ensure that projects receiving Federal grant money or tax benefits were reviewed in a consistent manner nationwide. The principles embodied in the Standards have also been adopted by hundreds of preservation commissions nationwide in local design guidelines. While the Standards provide a consistent philosophical framework for treatment, the Guidelines suggest a model process to follow in the work, and thus assist in applying the Standards to historic buildings.

Building Maintenance

The operator is responsible for all day-to-day maintenance of the facility. This includes, but not limited to; painting, cleaning, maintaining wall vinyl, tile, carpeting and all floor surfaces, ceilings, furnishings, telecommunication systems and computers. The operator will also be responsible to clean windows and do exterior maintenance such as, but not limited to; painting, caulking, staining, gutter maintenance, maintain outdoor fixtures, tuck pointing, stucco and plaster repair, minor roof repairs, sidewalk and hard surface repair. The operator will be responsible for maintaining all the mechanical systems within the facility including, but not limited to; fire suppression systems and alarms, electrical, plumbing, HVAC, elevators, boilers, water circulation systems, controls, equipment, and will also be responsible for any inspections, testing, and any preventative maintenance contracts for these systems.

Gate Fees

Indiana State Parks have had a philosophy of user fees since inception in 1916, and has collected gate fees ever since. Gate fees not only provide self generated revenue from users, but the gate operations also provide another form of security. If a person does not have a camping reservation, they will not be admitted to the park after 11:00 at night.

Currently, the gate fees at Indiana Dunes State Park are \$5.00 per car for vehicles with Indiana license plates, and \$10.00 for vehicles with out-of-state license plates. **This rate is subject to change at any time, with the approval of the Indiana Natural Resources Commission.** If they are camping guests, the camping registration will get them back in and out of the park until checkout. Those that come only to eat in dining rooms must also pay this fee. If the visitor has a valid annual pass, they will be admitted to the park without additional charge. Once visitors pay the entrance fee, or show an annual pass, they are allowed to use other services in accordance with property rules and regulations. If there are charges for other services in the park, the visitor will be required to pay these charges also. The park does offer gate waivers for

short-term banquet/meeting functions. In these cases, if the function is for more than 20 people, is at the facility for less than 8 hours, has no overnight stay and has an organized meal function at the facility, the group may apply for a gate waiver. Visitors that are attending a function for which a gate waiver has been issued may not use other park services.

Commercial vehicles making deliveries to the facilities, service and repair companies, and employees of the facility reporting to work, do not need to pay the entrance fee, but must sign in at the gate. Employees that wish to use the park for pleasure must pay the entrance fee or show an annual pass. For example, if an employee wishes to use the park after they get off work, during a time a gate fee is charged, they must exit the park, and then pay the entrance fee or show an annual pass to re-enter the park.

NOTE: Entrance fees will be charged during the period gates are open. Weekend operations begin on Friday and end on Sunday. Hours of operation may vary by property. At the property manager's discretion, gate operations may be suspended during periods of inclement weather, reduced visitation, or other approved reasons such as when income does not meet operating expenses. Property managers may authorize gate operations for special events or periods when revenue generation through gate fees will exceed gate operation costs.

Insurance

The operator shall at all times maintain, or cause to be maintained, the facilities insured against loss or damage by fire and from other causes customarily insured against under a standard extended coverage endorsement in an amount at least equal to the lesser of (1) the amount of \$1,000,000 or (2) 100 percent of the full replacement cost of the facilities; provided, however, such insurance may contain a reasonable loss deductible clause.

The operator shall at all times maintain, or cause to be maintained, general liability insurance in the amount of \$1,000,000.

The operator shall at all times maintain or cause to be maintained business interruption loss insurance to insure against loss of projected annual rental income payable pursuant to the Agreement, or any other leases of the facilities or any portions thereof, for such time (being at least for a period of twelve months) as use of the Projects or any portions thereof is interrupted by damage or destruction from perils insured against under a standard extended coverage endorsement in an amount equal to the fair rental value of such portions, all as are reasonably necessary to meet its obligations under the Agreement.

The operator shall maintain, or cause to be maintained, any additional or other insurance, which it shall deem necessary or advisable to protect its interests and those of the IDNR.

The operator shall maintain statutory Worker's Compensation and Employer's Liability insurance.

The operator shall maintain, or cause to be maintained, full coverage automobile liability insurance.

The operator shall maintain, or cause to be maintained, boiler and machinery coverage.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and able to do business in the State of Indiana, or with an insurance group or state insurance pool acceptable to the IDNR. The IDNR and the State of Indiana shall be named as additional insured on all policies. Such insurance policies shall provide that they may not be canceled and may not expire without 30 days prior written notice to the IDNR.

The operator shall furnish to the IDNR a copy of each certificate of insurance or renewal notice thereof, evidencing the coverage of the types required to be maintained by the operator pursuant to the agreement, upon the issuance or renewal of such insurance or performance bond

Taxes

The operator will be responsible for all taxes imposed by federal, state or local taxing authorities.

Deer Reduction

Indiana State Parks conduct deer herd reductions at many of the parks where these facilities are located. This may or may not cause the closure of the facility for short periods of time. The reductions usually occur on 2 Monday and Tuesdays time periods in late November and early December. These reductions are usually spread 2 weeks apart. The parks are selected on an as need basis and every property may not have a reduction each year. There is no other hunting allowed on Indiana State Park properties.

Reports and Records

The operator shall keep, or cause to be kept, accurate books, records, and accounts of its operations, including all receipts and disbursements of money under the agreement, and these shall be kept apart from other operations. The Licensee shall make all reports concerning the operation available to the IDNR at such times at the IDNR may require. Separate accounting records shall be maintained for each facility operated under the terms of the agreement.

Books and records of account shall be kept in a form and manner satisfactory to the IDNR. The operator's records of operation shall be open to inspection and audit by the IDNR and its designated representative at all reasonable times during business hours. The right of inspection and audit shall exist during the term of the agreement and for a period of three (3) years after the term of the agreement. The records will be audited by the DNR at least every two years. A place shall be provided on premise for the audit staff that is conducive to conduct such work. The DNR may request that all documents needed be provided at an alternate location, such as the property office or the Indianapolis Central Office for review.

The Operator shall establish checking and/or banking accounts that shall be used only for the operation of the properties that are the subject of this offer.

The operator shall furnish the IDNR a copy of its annual audited financial statement including balance sheet, statement of changes in financial position, and statement of income together with appended notes, prepared in accordance with generally accepted accounting principles. Such audited financial statement shall be prepared by independent certified public accountant(s).

DNR Property Regulations

The DNR property regulations govern activities on all DNR properties and have the full force and effect of law. The operator shall adhere to all regulations set forth in the property regulations and to provide copies of these regulations to all patrons of the marina and boat rental. The operator shall inform the patrons if they observe any violations of the regulations; however, the operator does not have the authority to enforce these regulations, but shall notify the proper authorities of abuse of the regulations.

Right of Entry

The IDNR reserves the right at any time to enter upon or into the facilities under lease with the operator for any purpose.

Information to Be Submitted By Developers/Operators

All proposals and other information as required shall be placed in a sealed envelope or package clearly marked as follows:

Proposal

Adaptive Reuse for the Indiana Dunes Pavilion

Indiana Dunes State Park, Porter County, Chesterton IN

Not to be opened until 1:00 P.M. E.D.T., March 1, 2012

Each envelope shall be marked with the name, address, and telephone number of the operator. All proposals must be delivered to Director, Department of Natural Resources, 402 W. Washington Street, Room W256, Indianapolis, IN 46204, no later than 1:00 P.M. E.D.T, March 1, 2012. It is suggested that mailed proposals be sent by certified or registered mail, return receipt requested. Late proposals will not be accepted. It is the operator's responsibility to ensure that the proposal arrives on time.

Furthermore, IDNR reserves the right at its sole discretion to negotiate with any operator about its proposal. Therefore, lease documents will reflect final negotiations with the operator, and may or may not reflect proposal information specifically as submitted.

IDNR reserves the right to reject any and all proposals, and to waive any technical defects in the applicant's proposal package.

Confidential Information

Potential operators are advised that materials contained in proposals are subject to the Indiana Public Records Act, IC 5-14-3-1 et. Seq., and after the contract award, may be viewed and/or copied by any member of the public, including new agencies and competitors. Potential operators claiming a statutory exception to the Indiana Public Records Act, must place all confidential documents in a sealed envelope, clearly marked as "Confidential" and must indicate on the outside of their proposal that confidential materials are included and specify which statutory exception provision applies. The IDNR reserves the right to make determinations of confidentiality. If the IDNR does not agree that the information designated is confidential under one of the disclosure exceptions to the Indiana Public Records Act, it may either reject the proposal or discuss its interpretation of the allowable exceptions with the operator. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, the IDNR will remove the proposal from consideration for award and return the proposal to the operator. The IDNR cannot and will not determine the proposed rental fee and/or fees or pro forma financial information to be confidential information.

OPERATORS SHOULD CAREFULLY CONSIDER THIS DOCUMENT AND THOROUGHLY READ THE INFORMATION WITHIN BEFORE COMPLETING THEIR PROPOSAL

All operators must make their own investigation as to the economic feasibility of the proposal, facts about the area, and estimates of probable business success, without reference to anything in the guidelines for development. IDNR makes no warranties or representations, expressed or implied about the information in these guidelines.

Questions in regard to this prospectus must be in writing or email format and sent to:

Indiana State Parks and Reservoirs
402 W. Washington Street, RM W298
Indianapolis, In 46204
Attn: Gary Miller
Or email:
[gmiller@dnr.IN.gov](mailto:gmill@dnr.IN.gov)

All questions will be answered in writing and the questions and answers will be sent by mail to all individuals and companies that have received a proposal packet. Any questions posed to park personnel are unofficial and the responses may or may not reflect accurate information in regard to this process.

All questions shall be submitted by January 26, 2012. Questions submitted after this date may or may not be able to be answered in appropriate time for all parties to develop their proposal.

Proposal Requirements

Each submission shall include three copies of their proposal, which includes the following:

1. Cover Letter:

- a. A letter signed by a principal of the operator warranting that the facts set forth are true to the best of his/her information, knowledge, and belief.

2. Information Regarding the Developer/Operator's Intentions:

- a. Provide a detailed statement of the operator's willingness to:
 - 1) Develop restaurant and banquet facility under the conditions contained in this prospectus

- 2) Cooperate in IDNR's architectural review process throughout the entire development program, as specified in this prospectus as well as other approvals which may be needed such as IDEM or Historic Preservation and Archeology.
- b. Provide detailed description of the facilities, services and products the operator proposes to develop. Provide detailed information on the scope of services, how they will be provided, and what charges are projected for each service. This should be presented in a manner that the IDNR can fully understand the size and scope of the facilities, services and products the operator wishes to include.
- c. Provide a description of the architectural style, size of the facility, including buildings materials, layout, and general design scheme. The IDNR wishes to understand the size and feeling of the development and how this relates to the rest of the property. Scaled drawings and renderings, plans and elevations of any buildings or site plans may be submitted, but are not required under this prospectus

Special note:

Since it is the essence of this offer for the development and operation of the Dunes Pavilion be open to the public, the answers provided for sections b and c above are of utmost importance. Each operator must address all areas of the prospectus, but shall be especially specific responding to sections b and c above. The IDNR should be able to determine from the answers provided, what facility will be like, and the scope of services proposed, without the need to contact the operator for further clarification. However, the DNR does reserve the right to request clarification of information submitted and to request additional information from any proposer.

- d. Provide a detailed statement of the construction sequence proposed by the operator, and the time period within which each construction stage would be started and completed, along with anticipated costs for construction.

- e. A detailed statement describing the proposed manner and amount of compensation to the IDNR.
- f. A pro forma financial statement of the expected gross revenues and expenses for each year, for the years of the lease indicated on the draft Pro-Forma enclosed, along with a description of the method of calculation. This shall include proposed rates for all services provided. Each year should be shown as a separate statement and shall include an explanation of assumptions used in deriving the revenue for the facility. Use the pro-forma form provided in the attachment section.
- g. Since there is currently a concessionaire in place, the developer shall provide a detailed transition plan indicating how a smooth transition will take place so that there is a seamless transition for the state and the customers.
- h. Provide a plan for and commitment to creating added value and benefits to the surrounding community and property visitors. This plan may include special events, educational programs, and community services activities that draw attention to and help interpret the property resources and safety concerns. In addition, you should identify special skills, knowledge, and resources needed and available to implement the plan.
- i. A detailed statement of the amount the operator is prepared to spend on the proposed development, to include:
 - 1. Amount and source of equity capital.
 - 2. Amount and source of other financing.
 - 3. If mortgage or other financing is to be obtained from a source, or sources, other than the operator, the proposal must contain a description of the source and an explanation of the operator's ability to obtain the necessary funds.
- j. A letter of authorization allowing IDNR to investigate, if necessary, the operator's and/or investor's financial ability to develop and operate the proposed facilities.

3. Information about the Development Team:

- a. The operator's firm name, address, telephone number, and representative authorized to deal with the IDNR.
- b. A description of the operator's proposed form of organization. Greater consideration will be given to proposals submitted by Indiana based operators or operators that have a partnership with Indiana firms. However, this does not preclude out of state operators from submitting a proposal, or being selected as the best proposal. The IDNR through the evaluation process will select the proposal that best meets the requirements of the offer, is most beneficial to the department, park visitors, and the citizens of the State of Indiana.
- c. A statement identifying the principals who would participate in the proposed development and the nature and extent, or percentage, of each principal's interest in the development group.
- d. The operator must certify that any of the individuals or entities seeking participation in this offer are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from a public transaction by any state agency. The operator must also certify that within three years prior to the submission of the proposal, none of the individuals or entities have been convicted of or had civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract under a public transaction, or for violation of federal or state antitrust statutes or for commission of embezzlement, theft, forgery, bribery, falsification of records, or making false statements.
- e. The operator shall provide the DNR with the names, birthdates, and Social Security numbers of any owner or management members of the team. The DNR will do background checks which may include, criminal history checks, BMV checks, sex offender registry checks, and credit checks.
- f. A detailed description of the previous experience of the operator and any principals including:
 - i. A detailed statement describing prior successful experience with the management of foodservice that includes facilities within the scope of this offer. This should include a chronological list of foodservice properties. Include the dates of operation and approximate annual revenue from each

facility. Include the size of the facility, and list other services provided by the operator

- ii. List any contracts or leases the operator has lost, been terminated before completion, or not renewed in the past 10 years.
- iii. List projects of a similar nature the operator has handled through the pre-opening phase in the past 10 years.
- g. A detailed statement describing any technical and/or managerial staff available to the operator in carrying out the proposed development.
- h. Positive references from owners/clients having specific knowledge of the operator's development and management abilities.

Quality of Workforce/Training-- The IDNR is very interested in ensuring that quality service is offered to all visitors and recognizes that the value of the workforce and the caliber of employees affect the visitor experience. Recruiting, training and maintaining a quality workforce are a significant concern. Identify the efforts that will be undertaken to recruit, train, and maintain a quality workforce of year-round and seasonal employees.

- i. Describe in detail any customer service training the organization's employees receive relative to the jobs they perform.
- j. Describe what type of background checks will be performed on potential employees.
- k. Describe any industry certifications that your staff has or will have at the execution of the lease.
- l. Provide the names and the experience of any architect or architectural/engineering firm, or firms, which may be retained by the operator for the preparation of construction plans and specifications, including:
 - i. Name and experience of the member of the firm who will execute the design of the inn and other related facilities.

- ii. Photographs, brochures, and/or published material illustrating designs previously executed by the firm.
- m. A statement of any relationships between the operator and any parent companies or subsidiaries that might also take part in the development.
- n. Sufficient financial information to establish the financial ability of the operator to carry out the project. This should include, as a minimum, audited financial statements for the last 3 fiscal years. The necessary financial information must be submitted for both the operator and any parent company or subsidiary named above.
- o. The names and addresses of bank references for the operator and any other sources of equity capital.
- p. Indicate whether the operator has ever been adjudicated as bankrupt.
- q. Indicate if there are any judgments, suits, or claims pending against the operator.
- r. Names and descriptions of any other persons, firms, or organizations expected to be participants in the development or operation of the business.
- s. Provide résumés discussing work experience that would indicate the possible success of developing and operating this type of facility.
- t. Provide a description of an accounting system to be used which would reflect gross sales, taxes collected, and in general, a record keeping system for the purposes of an audit. This facility will be subject to annual audits by the IDNR or the Indiana State Board of Accounts.
- u. Describe in detail what type of guest satisfaction tracking system will be used at these facilities.
- v. Explain how maintenance of the facility will be handled.
- w. Provide information in regard to any other attributes of the operator that may be considered as special qualifications for carrying out the development and management of this offer.

Selection Process

After the closing date for submission of the proposals, all proposals received will be reviewed. Proposals that most appropriately fulfill the IDNR's objectives for the project, and display the ability of the operator to carry out the project, will be selected for presentation to an evaluation committee. However, the Department may elect to waive the oral presentation if it is felt that enough information has been submitted for a complete evaluation. The IDNR does reserve the right to request clarification of information submitted and re request additional information from any proposer.

Oral Presentation

Selected operators may be requested to make oral presentations of their proposal to the evaluation committee and will be contacted directly to arrange for a specific time for the presentation. Each presentation will be limited to one hour, with up to one additional hour for the evaluation committee to ask questions of the operator. **It is highly recommended that the principal personnel from each operator's organization who will have ongoing involvement in the management of the facility actually make the oral presentation and provide responses to the evaluation committee**

Proposals will be evaluated in respect to how each responds to the criteria listed in the offer. Various disciplines will be engaged to assist, as necessary, in the determination of the financial strength and ability of the operator, internal consistency or inconsistency of financial projections, and reasonableness of the projections, experience and expertise, compensation to the IDNR, and other factors listed above. Once the evaluation committee has reviewed all proposals and completed the oral presentation process, the IDNR will submit the best proposal for submission to the Natural Resources Commission for its approval.

After an operator is chosen, a detailed contract will be negotiated to cover all aspects of the project. It should be noted that the choosing of the operator does not constitute acceptance of the proposal. The process determines the operator with who the IDNR can negotiate actual terms.

The IDNR reserves the right to submit to the commission the next most qualified operator if the successful operator does not reach agreement with IDNR on a lease within 60 days of the award of the proposal.

Attachment #1

**Information Maintained by the Office of Code Revision
Indiana Legislative Services Agency**

IC14-18-2

Chapter 2. Leasing of State Property

IC14-18-2-1

Legislative intent

Sec. 1. (a) It is the intent and purpose of this chapter to do the following:

(1) Provide means for the construction and operation of adequate water resources, food, lodging, and the outdoor recreation or service facilities that the department considers appropriate without the expenditure of state money.

(2) Solicit and encourage the use of private and public capital to provide food and lodging facilities.

(3) Provide more adequate water resources and attractive recreational facilities.

(b) This chapter supersedes any conflicting law to the extent of the conflict.

As added by P.L.1-1995, SEC.11.

IC14-18-2-2

Lease and contract powers of department

Sec. 2. (a) The department may do the following:

(1) Lease state owned land that is under the management and control of the department to a local governmental unit or a political subdivision of the state or local government.

(2) Lease federally owned land that is under the control and management of the department.

(3) Contract for the construction and operation of lodging, food, and other outdoor recreation, water resources, or service facilities that the department considers appropriate on the land.

(b) If the department determines that action permitted by subsection (a) would be in the best interests of the citizens of Indiana, a lease and contract may be negotiated and executed in the manner prescribed by this chapter in addition to the methods permitted by other statutes.

As added by P.L.1-1995, SEC.11.

IC 14-18-2-3

Contents of leases and contracts

Sec. 3. (a) As used in this section, "inn" means a public facility that has the following:

(1) At least twenty (20) rooms for the accommodation of overnight guests.

(2) A dining room that offers table service for at least forty (40) individuals

at one (1) time during normal dining hours.

(b) A lease and contract authorized by this chapter must include in its terms the following provisions and conditions:

(1) The legal description of the leasehold. A survey for the description is not required.

(2) The term of the lease. The term may not exceed forty (40) years with two (2) additional options to renew of thirty (30) years each.

(3) Provision for the submission of complete plans and specifications to the department for review and written approval before beginning any construction.

(4) The manner of payment of rental.

(5) The facilities provided will be available to the public without discrimination and at charges designed to make the facilities available to a maximum number of the citizens of Indiana.

(6) That the rates and fees charged for goods and services on the leased area will be in accord with those charged at similar developments in the area.

(7) The disposition of the leasehold and improvements at the termination of the lease.

(8) If the lease and contract concerns state owned land under the management and control of the department, including state parks, a prohibition on the sale or public display of alcoholic beverages on the premises.

(9) If the lease and contract concerns federally owned land under the control and management of the department, the lease and contract may permit the retail sale of alcoholic beverages on the premises of an inn:

(A) for consumption on the licensed premises; and

(B) if the lessee or concessionaire applies for and secures the necessary permits required by IC 7.1.

(c) A lease and contract may prescribe other terms and conditions that the department considers necessary and advisable to carry out the intent and purposes of this chapter.

As added by P.L.1-1995, SEC.11.

IC 14-18-2-4

Statement of intent

Sec. 4. (a) This section does not apply to leases to units of local government.

(b) The department shall draft a statement of intent and shall publicize the statement through appropriate media. The statement must do the following:

(1) Describe the facilities that the department desires to provide.

(2) Set up a procedure for the submission of proposals for providing the facilities.

(c) The publication must consist of at least three (3) legal advertisements appearing at ten (10) day intervals during a thirty (30) day period in five (5) daily newspapers of wide and general circulation in Indiana.

As added by P.L.1-1995, SEC.11.

IC 14-18-2-5

Submission of proposals

Sec. 5. (a) This section does not apply to leases to units of local

government.

(b) After public notice as required by section 4 of this chapter, a sixty (60) day period shall be allowed for the preparation and submission of proposals.

As added by P.L.1-1995, SEC.11.

IC 14-18-2-6

Approval of proposals; negotiation of lease agreement

Sec. 6. (a) Following the expiration of the period set aside for the submission of proposals by section 5 of this chapter, the department shall do the following:

(1) Select the proposal that the department considers most appropriate for the fulfillment of the statement of intent.

(2) Submit the proposal to the commission for approval.

(b) Upon receipt of written approval from the commission, the department shall do the following:

(1) Negotiate a lease agreement with the individual, group, or political unit that submitted the proposal.

(2) Submit the lease agreement to the attorney general for review and approval.

As added by P.L.1-1995, SEC.11.

IC 14-18-2-7

Execution of lease and contract

Sec. 7. A lease and contract must be executed by the authorized agents of the state and by the lessee.

As added by P.L.1-1995, SEC.11.